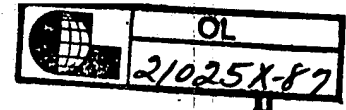


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## Calendar No. 362

100TH CONGRESS  
1ST SESSION

# S. 1750

To amend title 5, United States Code, to liberalize certain provisions authorizing reimbursement for expenses of sale and purchase of a residence upon the transfer of a Federal employee, and to provide for the payment of certain travel and transportation expenses of civil service career appointees.

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### IN THE SENATE OF THE UNITED STATES

OCTOBER 2 (legislative day, SEPTEMBER 25), 1987

Mr. MURKOWSKI (for Mr. STEVENS) (for himself and Mr. PHOEB) introduced the following bill; which was read twice and ordered placed on the calendar

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## A BILL

To amend title 5, United States Code, to liberalize certain provisions authorizing reimbursement for expenses of sale and purchase of a residence upon the transfer of a Federal employee, and to provide for the payment of certain travel and transportation expenses of civil service career appointees.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

## 2

1 **SECTION 1. REIMBURSEMENT OF EXPENSES OF SALE AND**  
2 **PURCHASE OF A RESIDENCE UPON THE TRANS-**  
3 **FER OF A FEDERAL EMPLOYEE.**

4 (a) **REIMBURSEMENT OF EXPENSES.**—Section  
5 5724a(a)(4)(A) of title 5, United States Code, is  
6 amended—

7 (1) by inserting before the period at the end of the  
8 first sentence the following: “; and expenses, required  
9 to be paid by the employee, (i) of the sale of the resi-  
10 dence (or the settlement of an unexpired lease) of the  
11 employee at the official station from which the employ-  
12 ee was transferred when he was assigned to a post of  
13 duty located outside the United States, its territories or  
14 possessions, the Commonwealth of Puerto Rico, or  
15 areas and installations in the Republic of Panama  
16 made available to the United States pursuant to the  
17 Panama Canal Treaty of 1977 and related agreements  
18 (as described in section 3(a) of the Panama Canal Act  
19 of 1979), and (ii) of the purchase of a residence at the  
20 new official station when the employee is transferred in  
21 the interest of the Government from a post of duty lo-  
22 cated outside the United States, its territories or pos-  
23 sessions, the Commonwealth of Puerto Rico, or areas  
24 and installations in the Republic of Panama made  
25 available to the United States pursuant to the Panama  
26 Canal Treaty of 1977 and related agreements (as de-

1 scribed in section 8(a) of the Panama Canal Act of  
2 1979), to an official station (other than the official sta-  
3 tion from which he was transferred when assigned to  
4 the foreign tour of duty) within the United States, its  
5 territories or possessions, the Commonwealth of Puerto  
6 Rico, or such areas and installations in the Republic of  
7 Panama"; and

8 (2) by adding at the end thereof the following new  
9 sentence: "Reimbursement of expenses prescribed  
10 under this paragraph in connection with transfers from  
11 a post of duty located outside the United States, its  
12 territories or possessions, the Commonwealth of Puerto  
13 Rico, or the areas and installations in the Republic of  
14 Panama made available to the United States pursuant  
15 to the Panama Canal Treaty of 1977 and related  
16 agreements (as described in section 8(a) of the Panama  
17 Canal Act of 1979), shall not be allowed for any sale  
18 or settlement of unexpired lease or purchase transac-  
19 tion that occurs prior to official notification that the  
20 employee's return to the United States would be to an  
21 official station other than the official station from  
22 which the employee was transferred when assigned to  
23 the foreign post of duty."

24 (d) EFFECTIVE DATE — The amendments made by sub-  
25 section (a) shall be applicable with respect to any employee

1 transferred to or from a post of duty on or after 60 days after  
2 the date of enactment of this section.

3 **SEC. 2. CERTAIN TRAVEL AND TRANSPORTATION EXPENSES**  
4 **OF CIVIL SERVICE CAREER APPOINTEES.**

5 Section 5724(a) of title 5, United States Code, is  
6 amended—

7 (1) by striking out "and" at the end of paragraph  
8 (1);

9 (2) by striking out the period at the end of para-  
10 graph (2) and inserting in lieu thereof "; and"; and

11 (3) by adding at the end the following:

12 "(3) upon the separation of a career appointee (as  
13 defined in section 3132(a)(4) of this title), the travel ex-  
14 penses of that individual, the transportation expenses of  
15 the immediate family of such individual, and the ex-  
16 penses of moving (including transporting, packing, crat-  
17 ing, temporarily storing, draying, and unpacking) the  
18 household goods of such individual and personal effects  
19 not in excess of 18,000 pounds net weight, to the  
20 place where the individual will reside within the  
21 United States, its territories or possessions, the Com-  
22 monwealth of Puerto Rico, or the areas and installa-  
23 tions in the Republic of Panama made available to the  
24 United States pursuant to the Panama Canal Treaty of  
25 1977 and related agreements, as described in section

1 8(a) of the Panama Canal Act of 1979, (or, if the indi-  
2 vidual dies before the travel, transportation, and  
3 moving is completed, to the place where the family  
4 will reside), if such individual—

5 “(i) has previously been transferred in the in-  
6 terest of the Government from one official station  
7 or agency to another for permanent duty during  
8 the term of Government employment of such indi-  
9 vidual; and

10 “(ii) is eligible to receive an annuity upon  
11 such separation under the provisions of subchapter  
12 III of chapter 83 or of chapter 84 of this title.”

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the Committee will not be discussed  
before the House. The House will  
discuss it before the Committee on  
the subject of inequality of taxation directly or  
indirectly for such substance, to the Committee  
on Finance.

**STATEMENTS OF  
BILLS AND JOINT  
RESOLUTIONS**  
by Mr. Sikes  
and Mr. Harris  
S. 1744. A bill to amend  
the Social Security  
plans for medical  
such title to disregard  
living increases in  
the increase would  
disqualifying individ-  
ble for such assistance  
Committee on Finance

1885. A bill for the relief of Jose Maria  
was to the Committee on the Judiciary.

By Mr. BOSCHWITZ (for himself, Mr. LEAHY, Mr. EASTEN, Mr. GRASSLEY, Mr. DURENBERGER and Mr. PROX-  
MIRE):

**S. 1746.** A bill to effect any reduction in net expenditures for milk price support, activities required by the Balanced Budget and Emergency Control Act of 1985; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ROTH (for himself, Mr. BAUCUS, Mr. MOYNIHAN, Mr. CHAFFIN and Mr. WALLOP):

**S. 1747.** A bill to amend the Internal Revenue Code of 1986 to revise the export financing exception to the separate application of the foreign tax credit limitation to financial services income; to the Committee on Finance.

By Mr. MURKOWSKI (for Mr. DOL  
(for himself and Mr. BYRD):

S. 1748. A bill to prohibit the import into the United States of all products of Iran placed on the calendar.

By Mr. MOYNIHAN:  
S. 1749. A bill to authorize the Smithsonian Institution to provide for additional fe

facilities for the Cooper-Hewitt Museum, and for other purposes; to the Committee on Rules and Administration.

By Mr. MURKOWSKI (for Mr. STANLEY VENS (for himself and Mr. PRYOR)):

S. 1750. A bill to amend title 5, United States Code, to liberalize certain provisions authorizing reimbursement for expenses on sale and purchase of a residence upon the transfer of a Federal Employee, and to provide for the payment of certain travel and transportation expenses of civil service career appointees placed on the calendar

By Mr. LAUTENBERG (for himself  
and Mr. BRADLEY):

S. 1751. A bill to require vessels to manifest the transport of municipal or other vessels nonhazardous commercial wastes transported offshore to ensure that these wastes are not illegally disposed of at sea; to the Committee on Environment and Public Works.

By Mr. BAUCUS:  
S. 1752. A bill to establish a Commission to study effects of deregulation of airline industry; to the Committee on Commerce, Science, and Transportation.

~~SECRET~~

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolution and Senate resolutions were read, and referred (or acted upon) as indicated:

● **Mr. SHELBY, M.** I am pleased to be introducing a bill that cost-of-living adjustment-eligible individuals long-term care facilities. Each year a number of clients in nursing homes are eligible for Medicaid because of Federal increases that raise the above allowed limit for living adjustment impact Medicaid and receiving Social Security benefits, railroad retirement, or these benefits.

Moreover, many beneficiaries residing in homes have already experienced the denial of "spending eligibility." This often characterizes the home and all persons ultimately the community. While many families for some fortunate, have not been abandoned and displaced from. In most cases, incoming home residents cover the incredible

Mr. President, I understand, Federal law requires applicants and recipients to take necessary steps to obtain to which they are entitled. They are due cost-of-living adjustments. I cannot refuse the Government to maintain their Medicaid

Very simply, what is a disregard of Federal adjustments for long-term care facilities? An adjustment would be made to the eligibility. This would protect the of nursing home any of a variety of a combination of be As a member of the tee on Aging, I have depictions of the individuals and families and old—endure ineligible for Medicaid will in a small way individuals who so de



and the bank's interest on the loan and the bank's expense for the financing points are payable from the sale. The personal costs related to employing the necessary financial specialist to structure the transactions is prohibitive for most middle-market companies. Moreover, the exporter must have the financial strength to justify carrying the account receivable on its balance sheet. In reality only a few exporters have sufficient annual export volume to justify these out-of-pocket personal expenses, and to warrant taking the associated risks.

Mr. President, the bill I am introducing today would amend the export financing provisions to exempt income derived from both related party and unrelated party export financing activities from the more restrictive foreign tax credit limitation and deferral rules. Our tax law should not include an export financing rule that discriminates against unrelated party transactions. Any benefit derived from the amendment will be directly linked to expanded export financing activities. This is because only the income derived from export activities will be eligible for the exemption from the burdensome new rules governing the foreign tax credit and deferral. This legislation will increase sales for our U.S. exporters, generating an increase in income tax revenues to the Treasury, and helping reduce our trade deficit.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1747

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. REVISION OF EXPORT FINANCING EXCEPTION TO SEPARATE APPLICATION OF FOREIGN TAX CREDIT LIMITATION TO FINANCIAL SERVICE INCOME.

(a) IN GENERAL.—Clause (iii) of section 904(d)(2)(C) of the Internal Revenue Code of 1986 (relating to financial services income) is amended to read as follows:

“(iii) EXCEPTION FOR EXPORT FINANCING.—

“(I) IN GENERAL.—Except as provided in subclause (II), the term ‘financial services income’ does not include any export financing interest.

“(II) EXCEPTION FOR TAXPAYER PREDOMINANTLY ENGAGED IN PROVIDING FINANCIAL SERVICES.—Subclause (I) shall not apply if the taxpayer described in subsection (a) is an entity which is predominantly engaged in the active conduct of a banking, insurance, financing, or similar business, which is a bank holding company (within the meaning of section 2(a) of the Bank Holding Company Act of 1956), or which is a subsidiary of either.”

(b) DEFINITION OF EXPORT FINANCING INTEREST.—Subparagraph (G) of section 904(d)(2) of the Internal Revenue Code of 1986 (defining export financing interest) is amended to read as follows:

“(G) EXPORT FINANCING INTEREST.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘export financing interest’ means any interest derived by an applicable taxpayer from financing the sale (or other disposition) for use or con-

“(i) not more than 25 percent of the fair market value of which is attributable to products imported into the United States; and

“(ii) APPLICABLE TAXPAYER.—For purposes of this subparagraph, the term ‘applicable taxpayer’ means any entity which is subject to the banking and credit laws of the United States, a foreign country, or a possession of the United States.

“(iii) SPECIAL RULES.—For purposes of this subparagraph—

“(I) LOANS OF EXIMBANK.—The term ‘financing’ includes the making or purchase of, or participation in, loans made or guaranteed by the Eximbank of the United States.

“(II) FAIR MARKET VALUE.—The fair market value of any property imported into the United States shall be its appraised value, as determined by the Secretary under section 402 of the Tariff Act of 1930 (19 U.S.C. 1401a) in connection with its importation.”

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 1201 of the Tax Reform Act of 1986.

By Mr. MOYNIHAN:

S. 1749. A bill to authorize the Smithsonian Institution to provide for additional facilities for the Cooper-Hewitt Museum, and for other purposes; to the Committee on Rules and Administration.

ADDITIONAL FACILITIES FOR THE COOPER-HEWITT MUSEUM

● Mr. MOYNIHAN. Mr. President, I rise today to introduce the Cooper-Hewitt Renovation Act, a bill to authorize the Smithsonian Institution to renovate and construct new facilities at the Cooper-Hewitt Museum, located in New York City. The Cooper-Hewitt Museum is home to numerous exhibits of decorative arts, textiles, wall coverings, architecture, and folk art.

The Cooper-Hewitt was incorporated into the Cooper Union for the Advancement of Science and Art in 1897. Eighty years later, the Smithsonian Institution acquired the Cooper-Hewitt Museum, at once making the Federal Government responsible for its care and upkeep. It is this responsibility that I address today in introducing the Cooper-Hewitt Renovation Act.

The Cooper-Hewitt sponsors some of the Nation's most treasured design and architecture exhibitions. These have included “The Modern Spirit: Glass from Finland”; “Treasures From Hungary: Gold and Silver From the Ninth to the Nineteenth Century”; and “Memphis/Milano.” Lasting reminders of these collections are embodied in the 21 catalogs printed for them which continue to educate many people long after the exhibition ends.

The exhibits and collections at the Cooper-Hewitt are remarkable indeed. That is why it is essential that we properly maintain this, our most prominent museum of design. This is exactly what we seek to do today. This bill provides \$15 million of a \$30 million project for the revocation and im-

provement of facilities at the Cooper-Hewitt Museum. The remaining \$15 million in funds will be raised from private sources.

To see this museum—an inspiration for young designers and architects everywhere—crumble due to lack of funds would indeed be grave loss to our country. A loss we can prevent by supporting this bill.

By Mr. MURKOWSKI (for Mr. STEVENS) (for himself and Mr. PRYOR):

S. 1750. A bill to amend title 5, United States Code, to liberalize certain provisions authorizing reimbursement for expenses of sale and purchase of a residence upon the transfer of a Federal employee, and to provide for the payment of certain travel and transportation expenses of civil service career appointees; placed on the calendar.

REIMBURSEMENT OF CERTAIN EXPENSES OF SALE AND PURCHASE OF A RESIDENCE UPON TRANSFER OF A FEDERAL EMPLOYEE

(Mr. MURKOWSKI submitted the following statement on behalf of Mr. STEVENS.)

● Mr. STEVENS. Mr. President, today, I am introducing legislation to correct an inequity in the current law dealing with the reimbursement of relocation expenses for Federal civilian employees who are transferred to overseas locations and for career Senior Executive Service employees who are relocated by the Government.

Current law authorizes reimbursement of certain expenses, primarily brokerage fees, incurred from the sale and purchase of a home for Federal civilian employees who are transferred and the old and new duty stations are located within the United States, its territories or possessions, the Commonwealth of Puerto Rico, or the areas and installations pursuant to the Panama Canal Treaty of 1977. Employees transferred overseas, then back to the United States are not covered by this law. This often results in serious financial hardships for Federal employees who are transferred to an overseas duty station and who upon completion of their overseas tour are transferred to duty stations in the United States other than the one from which they originally departed. In a letter, March 30, 1987, to the President of the Senate, the General Accounting Office outlined for us the seriousness of this problem, and recommended legislative relief. According to the GAO, the impact on the Federal budget would be minimal and would correct the current inequity for those who serve our Government in foreign posts.

Mr. President, employees reassigned from the United States to an overseas location, and back to the United States, but not to the same area from which they departed, face the same home sale and purchase problems faced by employees relocating within

the United States. Yet they receive none of the expense reimbursement authorized by their governments who move within the United States but who do not accept foreign assignments. This problem is acute for the Drug Enforcement Agency and other law enforcement agency personnel assigned overseas, as well as for Department of Defense civilian employees who routinely accept foreign assignments.

This bill would permit Federal agencies to provide the same reimbursements already authorized in law for employees moving within the United States, to employees who transfer from an overseas post to a different duty station in the United States, than the one they left before transferring overseas. Employees who are reassigned overseas and then back to a different U.S. location are, in effect, undergoing an interrupted relocation from one official station within the United States to another. This bill would not apply to the Foreign Service which, because of the special nature of its mission and responsibilities, operates under different statutes and regulations.

Mr. President, section 2 of this bill would correct another inequity. Currently, military and Foreign Service personnel who are relocated by the Government during their Government service are reimbursed, upon retirement, for the costs of their last move home. This bill would allow retiring career Senior Executive Service employees who have been geographically relocated by the Government during their civil service careers, reimbursement for travel and transportation expenses of the employee and his or her immediate family to a place of residence other than their last official duty station. The law allows an agency to move these employees at the agency's discretion. It should also provide for a final move home when the employee has moved in the Government's interest and is retiring from Federal service.

In addition to the equity issue, there is some evidence that we are losing many highly skilled and experienced careerists. Senior Executives who have 25 years of Government service—or are age 50 with at least 20 years of service—when asked by the Government to relocate will frequently opt for a discontinued service retirement at a reduced annuity, rather than leave the place where they and their families have settled. The prospect of uprooting and then shouldering the expense of returning in a relatively short time outweighs their desire to continue in Government service. Providing these experienced individuals in the senior ranks of the Federal Government with last-move-home benefits would remove a serious financial disincentive to continuation of their careers. Additionally, I am told by agencies that they have had very talented employees who have refused to join

the SES because there is no way of returning to their preferred place of residence at retirement, except at their own expense. It is particularly true of employees who are moved to high cost areas like Washington. Using the criteria that the SES employee must have previously relocated in the interest of the Government and must be eligible for retirement, it has been estimated that an average of 200 employees per year, Governmentwide, may be eligible for the last move home.

Mr. President, we should not be placing financial hardships on these employees by asking them to pay their own expenses when they move in the interest of the Federal Government. I urge my colleagues to support this important legislation. ●

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 1751. A bill to require vessels to manifest the transport of municipal or other nonhazardous commercial wastes transported offshore to ensure that these wastes are not illegally disposed of at sea; to the Committee on Environment and Public Works.

#### SHORE PROTECTION ACT

Mr. LAUTENBERG. Mr. President, one of New Jersey's most valuable resources—our beaches—have steadily deteriorated in the face of our inability to control the uses and abuses of our shoreline.

Day after day tides of debris have washed up on New Jersey shores despite laws to prevent ocean dumping and to control the disposal of municipal and commercial waste.

People have been blind in their faith that these laws would be obeyed and they have been deceived. It is time for this to end.

Today I am introducing legislation that does not rely on the good will and judgment of those who transport waste. The bill I am introducing today establishes a tracking system for the transport of all municipal and commercial waste transported by vessel.

There will be no more excuses for floating debris on New Jersey's or any other States' beaches.

The bill will accomplish four major things. First, no vessel—public or private—could be used to transport municipal or commercial wastes unless that vessel has a permit. A simple permit, that only requires identification of the boat's owner, mooring location, serial number and primary use. Nothing burdensome for the owner, yet something that would allow us to determine just how many vessels transport this material and who owns them.

Second, each and every shipment of the material would be accompanied by a manifest. Again, nothing fancy, but something to ensure that everything loaded onto the boat gets unloaded at the disposal site, not along the way. The way things operate now, it seems some transporters have the attitude

that I can't see where I can throw it to know the difference.

Third, the bill will require the vessel operator and the disposal facilities operator to undertake a basic level of care in loading and unloading the vessels. Currently, there are no restrictions on how high the trash is piled or requirements that it be covered. The bill requires that all of the material be safely loaded and secured during transport.

Because we must search for even more effective measures, the bill also requires EPA and the Coast Guard to conduct concurrent studies on measures to upgrade these requirements.

As chairman of the Transportation Appropriations subcommittee, I have asked the Coast Guard, in our appropriations bill, to conduct a pilot program to test the effectiveness of tracking devices on garbage-carrying vessels. This pilot program will provide both EPA and the Coast Guard with critical information to make determinations about whether more effective measures are required and what those measures should be.

The bill I am introducing today requires the Coast Guard to assess which tracking devices would be most effective for garbage-carrying vessels. It also requires EPA to make a determination about the appropriate role of these devices in the enforcement scheme. These two studies plus the pilot tracking program will give us all of the information we need to move ahead swiftly.

I believe this bill fills a critical gap in our system. It establishes a mechanism to ensure that wastes will not "drift" into our waters and creep onto our shores unnoticed.

I cannot overemphasize the importance of this legislation as we move into an era of steeply rising disposal costs and increasing population. We must be prepared to stem the growing temptation to use our oceans as a cheap and convenient dumping ground.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1751

#### SHORT TITLE

SECTION 1. This Act may be cited as the "Shore Protection Act of 1987."

#### TITLE I—VESSEL IDENTIFICATION

##### DEFINITIONS

SEC. 101. As used in this Act, the term—

(1) "Administrator" means the Administrator of the Environmental Protection Agency, unless indicated otherwise.

The term "manifest" means the form used in identifying the quantity, general composition, origin, routing and destination of the waste.

(3) "municipal or commercial wastes" includes, all wastes covered by Subtitle D of the Solid Waste Disposal Act. This shall include any garbage, refuse, or other discarded material.